

**STATE OF ILLINOIS  
SECRETARY OF STATE  
SECURITIES DEPARTMENT**

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**IN THE MATTER OF: GLENN JOHN KOZELUH**

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) **Case No. C0900151**  
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**ORDER OF PROHIBITION**

**TO RESPONDENT:** Glenn John Kozeluh (CRD# 2364248)  
3912 Venard Road  
Downers Grove, Illinois 60515

WHEREAS, a Temporary Order of Prohibition was issued by the Secretary of State on July 8, 2009 temporarily prohibiting Respondent from offering or selling securities in the State of Illinois until further order of the Secretary of State.

WHEREAS, pursuant to Section 11.F of the Illinois Securities Law of 1953 [815 ILCS 5] (the "Act"), the failure to request a hearing within thirty (30) calendar days of the entry of a Temporary Order shall constitute an admission of any facts alleged therein and constitute a sufficient basis to make the Temporary Order final.

WHEREAS, Respondent Glenn John Kozeluh has failed to request a hearing on the matters contained in the said Temporary Order within thirty (30) calendar days of the entry of said Temporary Order and Respondent is hereby deemed to have admitted the facts alleged in the said Temporary Order.

WHEREAS, the Secretary of State, by and through his duty authorized representatives, has adopted the Findings of Fact contained in the said Temporary Order as the Secretary of State's Final Findings of Fact as follows:

1. That Glenn John Kozeluh, ("Respondent Kozeluh") is an individual with a last known address of 3912 Venard Road, Downers Grove, Illinois 60515.
2. That Respondent Kozeluh was registered as a salesperson and as an investment advisor representative with the State of Illinois until February 01, 2006.
3. Between April 2006 and October 2008, Respondent issued promissory Notes that promised investors 11-25 percent rates of return due within one year of the investment ("Notes" or "Note").

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4. Complainants, Investor PL, Investor AM, Investor WL and Investor JP are residents of the State of Illinois.
5. That on or about April 14, 2006, Respondent Kozeluh sold to Investor JP, a \$100,000.00 20% Note, with principal and interest due October 4, 2006. In exchange, JP gave Respondent a check for \$100,000.00.
6. That on or about October 4, 2006, Respondent Kozeluh sold to Investor JP, a \$130,000.00 20% Note, with principal and interest due April 4, 2007. This Note replaced the previous Note issued to JP on April 14, 2006 for \$100,000.00. In exchange, JP gave Respondent an additional check for \$10,000.00.
7. That on or about October 4, 2007, Respondent Kozeluh sold to Investor JP, a \$300,000.00 20% Note, with principal and interest due April 14, 2008. This Note replaced the previous Note issued to JP on October 4, 2006 for \$130,000.00. In exchange, JP gave Respondent an additional check for \$144,000.00.
8. That on or about April 14, 2008, Respondent Kozeluh sold to Investor JP, a \$360,000.00 20% Note, with principal and interest due October 14, 2008. This Note replaced the previous Note issued to JP on October 4, 2007 for \$300,000.00.
9. That on or about May 12, 2008, Respondent Kozeluh sold to Investor AM, a \$400,000.00 25% Note, with principal and interest due September 12, 2008.
10. That on or about May 20, 2008, Respondent Kozeluh sold to Investor PL a \$300,000.00 22% Note, with principal and interest due on October 20, 2008.
11. That on or about June 13, 2008, Respondent Kozeluh sold to Investor PL a \$400,000.00 22% Note, with principal and interest due on October 20, 2008. This Note replaced the previous Note issued to PL on May 20, 2008 for \$300,000.00. In exchange, PL gave Respondent an additional check for \$100,000.00.
12. That on or about September 3, 2008, Respondent Kozeluh sold to Investor AM, a \$535,000.00 25% Note, with principal and interest due January 15, 2009. This Note replaced the previous Note issued to AM on September 12, 2008 for \$400,000.00. In exchange, AM gave Respondent an additional check for \$118,750.00.
13. That on or about October 14, 2008, Respondent Kozeluh sold to Investor JP, a \$500,000.00 20% Note. This Note replaced the previous Note issued to JP on April 14, 2008 for \$360,000.00.

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14. That on or about October 14, 2008, Respondent Kozeluh sold to Investor JP, a \$525,000.00 20% Note. This Note replaced the previous Note issued to JP on October 4, 2007 and renewed April 14, 2008.
15. That on or about October 21, 2008, Respondent Kozeluh sold to Investor PL a \$500,000.00 22% Note, with principal and interest due March 21, 2009. This Note replaced the previous Note issued to PL on June 13, 2008 for \$400,000.00.
16. That on or about October 30, 2008, Respondent Kozeluh sold to Investor WL a \$40,000.00 11% Note, with principal and interest due November 24, 2008. In exchange, WL gave Respondent a check for \$40,000.00.
17. To date, despite demands, the Respondent has failed to pay Investors their principal and interest, pursuant to the terms of the Notes.
18. That the activities set forth in paragraphs above constitute the offer and sale of Notes, and therefore securities, as those terms are defined in Section 2.1, 2.5 and 2.5a of the Illinois Securities Law of 1953, 815 ILCS 5/1 *et seq.*
19. Section 12.A of the Illinois Securities Law of 1953, 815 ILCS 5/1 *et seq.*, (the "Act") states that it shall be a violation of the provisions of this Act for any person to "offer or sell any security except in accordance with the provisions of this Act."
20. Section 5 of the Act provides, *inter alia*, that all securities except those exempt under Section 3 of the Act or those offered and sold in transactions exempt under Section 4 of the Act shall be registered with the Secretary of State prior to their offer or sale in the State of Illinois.
21. Section 12.D of the Illinois Securities Law of 1953, 815 ILCS 5/1 *et seq.*, states that it shall be a violation of the provisions of the Act for any person to "fail to file with the Secretary of State any application, report or document under the provisions of this Act or any rule or regulation made by the Secretary of State pursuant to this Act or to fail to comply with the terms of any order of the Secretary of State issued pursuant to Section 11 hereof.
22. Respondent failed to file an application for registration of the above-referenced securities with the Secretary of State and as a result, the securities were not registered pursuant to Section 5 of the Act prior to their offer and sale in the State of Illinois.
23. By virtue of the foregoing, Respondent violated Sections 12.A and 12.D of the Act.
24. Section 12.F of the Illinois Securities Law of 1953, 815 ILCS 5/1 *et seq.*, states that it shall be a violation of the provisions of the Act for any person to "engage in any transaction, practice, or course of business in connection with the sale or

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purchase of securities which works or tends to work a fraud or deceit upon the purchaser or seller thereof.”

25. Section 12.G of the Illinois Securities Law of 1953, 815 ILCS 5/1 *et seq.*, states that it shall be a violation of the provisions of the Act for any person to “obtain money or property through the sale of securities by means of any untrue statement of a material fact or any omission to state a material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading.”
26. Section 12.I of the Illinois Securities Law of 1953, 815 ILCS 5/1 *et seq.*, states that it shall be a violation of the provisions of the Act for any person to “employ any device, scheme or artifice to defraud in connection with the sale or purchase of any security, directly or indirectly.”
27. The facts alleged in paragraphs 1 through 24 above allege facts that show conduct by the Respondent that violate Section 12.F of the Act. In particular: Respondent never invested the Complainants’ funds for the benefit of the Complainants and instead, Respondent converted Complainants’ money for Respondent’s own personal use and benefit.
28. The facts alleged in paragraphs 1 through 25 above allege facts that show conduct by the Respondent that violate Section 12.G of the Act. In particular: Respondent represented that the Complainant’s funds would be used to invest in rehab of real estate and purchase/investment in small financial institutions, instead, Respondent converted Complainant’s money for Respondent’s own personal use and benefit.
29. The facts alleged in paragraphs 1 through 26 above allege facts that show conduct by the Respondent that violate Section 12.I of the Act. In particular: Respondent issued to Complainants Notes that purported to replace and extend the due date of previous Notes. Instead, Respondent converted Complainant’s money for Respondent’s own personal use and benefit.

WHEREAS, the Secretary of State, by and through his duly authorized representative, has adopted the Conclusions of Law contained in the said Temporary Order as the Secretary of State's final Conclusions of Law as follows:

1. That by virtue of the foregoing, the Respondent Glenn John Kozeluh has violated Sections 12.A, 12.D, 12.F, 12.G and 12.I of the Act; and
2. That by virtue of the foregoing, the Respondent Glenn John Kozeluh is subject, pursuant to Section 11.F of the Act, to an Order which permanently prohibits him from offering or selling securities in the State of Illinois.

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NOW THEREFORE, IT IS HEREBY ORDERED THAT: pursuant to the authority granted by Section 11.F of the Act, Respondent Glenn John Kozeluh is hereby prohibited from offering or selling securities in the State of Illinois until further order of the Secretary of State.

ENTERED: This <sup>1st</sup>~~2nd~~ day of March, 2010.



JESSE WHITE  
Secretary of State  
State of Illinois



NOTICE: Failure to comply with the terms of this Order shall be a violation of the Section 12.D of the Act. Any person or entity who fails to comply with the terms of this Order of the Secretary of State, having knowledge of the existence of the Order, shall be guilty of a Class 4 felony.

This is a final order subject to administrative review pursuant to the Administrative Review Law, [735 ILCS 5/3-101 et seq.] and the Rules and Regulations of the Illinois Securities Act, [14 Ill. Admin. Code Ch. 1, Section 130.1123]. Any action for Judicial Review must be commenced within thirty-five (35) days from the date a copy of this Order is served upon the party seeking review.

Attorney for the Secretary of State:

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